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|  | Regulated Price Plan Roadmap  Pilot Program  Project Overview Application |

Instructions

1. Review all eligibility criteria to confirm that your project is eligible for the Regulated Price Plan Pilot Program.
2. All fields must be completed. Incomplete submissions will not be considered. Maximum 10 pages excluding attached documents.
3. All answers, rationale and substantiation must be provided in this document in the space provided. Do not provide attachments unless letters of support from project partners, links or other references as these will not be considered in the review of your application.
4. **Attach this completed document, in Word format (no PDFs) to an email and submit to:** [BoardSec@ontarioenergyboard.ca](mailto:BoardSec@ontarioenergyboard.ca) *citing “EB-2016-0201: RPP Pilot Application” in the subject line.*
5. Within one week of submission, you will receive a response confirming that your application was received with further information regarding the timeline for review.
6. If you have questions you may reach the OEB by calling 1-888-632-6273 or by emailing [IndustryRelations@ontarioenergyboard.ca](mailto:IndustryRelations@ontarioenergyboard.ca) *citing “EB-2016-0201: RPP Pilot Program” in the subject line*.

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| **A. Key Information** |

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| **Project title:** | Oshawa PUC RPP Pilot |
| **Distributor(s):** | Oshawa PUC Networks Inc. |
| **Applicant(s) Contact name:** | Phil Martin |
| **Applicant(s) Contact title:** | VP Finance and Regulatory Compliance |
| **Mailing address:** | 100 Simcoe Street South, Oshawa, ON L1H 7M7 |
| **Phone:** | 905-723-4626 EXT. 5250 |
| **Email:** | pmartin@opuc.on.ca |
| **Submission date:** | August 22, 2016 |

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| **Receipt of an application does not constitute a commitment by the Ontario Energy Board to approve the application.** | |
| **B. Project Overview (check all that apply)** | | |
| **Regulated Price Plan Roadmap Category** | | |
| Price | Non-Price | |
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| **Target Market(s): Residential Market Only** | | |
| Existing Homes | High Usage Customers | |
| New Homes | Other:\_\_\_\_\_\_\_\_\_\_\_\_ | |
| Multi-family |  | |
| Single-family |  | |
| Low Income Customers |  | |
| **Project Type** | | |
| Time-of-use | Other Pricing | |
| Critical Peak Pricing |  | |
| Appliance/Household Automation |  | |
| Information Provision |  | |

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| **Expected Project Duration**: ***24* Months** |

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| **Funding\*\*\**:*** Applicants are encouraged, but not required, to contribute support or have project partners contributed support to the proposed project. Differentiate between cash and in-kind support to the proposed project. Please indicate if the funding is confirmed. “Requested Funding” represents your funding request to the OEB.  IF THIS SECTION IS LEFT BLANK YOUR APPLICATION WILL NOT BE CONSIDERED | | | | |
|  | **Cash ($)** | **Cash (% of total project value)** | **In-kind ($)** | **In-kind (% of total project value)** |
| **Oshawa PUC Networks** | $890,000.00 | 16% | $ | % |
| **Sapient Global Markets** | $4,625,000.00 | 84% | $ | % |
| **Subtotal**  **(non-OEB funding contribution)** | $ | % | $ | % |
| **Requested Funding** | $5,515,000.00 | 100% | N/A | N/A |
| **Totals** | $5,515,000.00 |  | $ | % |
| **Total project value (all cash costs + in kind)** | **$5,515,000.00** | | | |

\* Provide actual name

\*\*Add rows as necessary

\*\*\*These fields may be amended at a later stage if required.

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| **1. PROJECT CONCEPT AND RATIONALE** |
| **A.** In one sentence, state the ultimate goal of this project. How will the objectives of the Regulated Price Plan Roadmap be achieved as a result of this project? |
| To determine/recommend the optimal pricing treatment/combination to be implemented by OEB for the province, through behavioral data analytics and customer engagement strategies. |
| **B.** Discuss in detail the specific objectives of the Regulated Price Plan Roadmap that this project addresses (e.g. technical challenge, energy literacy gap, etc.). |
| Behavior analytics to determine/recommend the optimal pricing treatment/combination to be implemented by the province and validate its execution by: - returning authority to customers and drive economic benefits for the customer/household - Increasing customer expectations has left an experience gap between an LDC and its customers. This prevents the LDCs from having engaged conversations on key energy topics with its customers. Today`s customers expects to be empowered to take control of these conversations. - enabling improved system efficiencies through better load balancing for the province - System efficiencies through load balancing translates to province wide benefits. The pilot test the use of a behavioral approach to smooth out the load curve to drive efficiencies.  Key questions that the pilot will help answer for these categories include:  **Marketing and Communication challenge**  - How do you leverage the customer experience eco system to engage and empower customers/customer behavioral groups on energy price and pricing? - How do you identify and fill the energy literacy gap? - How do we improve the effectiveness of the marketing and communication efforts? What are the key messages and how should they be framed? **Customer Engagement challenge** - What is the experience eco system suited to engage and empower customers/customer behavioral groups on energy price and pricing? - How do you increase customer participation in pricing treatment implementations/roll out? - How do you determine the true impact and value of the pricing treatments on household economics? How do you implement the treatments based on benefits? How do you communicate these benefits to the customers? **Technology challenge** - There are several new technologies available to support communication and perform analytics? What is the optimal combination of technology that needs to be leveraged to meet the RPP objectives (Pilot and long term)? - How much will the approach being used for the pilot stress the LDC technology infrastructure? **Data challenge** - How do you really understand the Ontario LDC customer and his/her energy behavior through data? What data best supports this outcome? - What are the key insights that can be generated from data using data science? |
| **C.** How will your project’s activities and outputs address the objectives of the Regulated Price Plan Roadmap outlined above? What solution is this project designed to develop? |
| This pilot uses a behavioral approach for meeting the objectives of this pilot. Sapient over the last 25 years has been at the forefront of helping global brands influence consumer behavior. This is based on an approach that focuses on consumer behavior. This approach has resulted in 10 to 20x improvement in customer conversion and participation rates in industries like telecom and retail. This has been achieved by leveraging behavioral data to unlock the potential of other internal and external sources of data by unifying and co-relating time and order of consumer behaviors. Sapient has extensive access to third party sources of data in North America and a technology platform that has a scalable data model that handles diverse streams of data effectively to meet the objectives of this pilot.  The efforts for this pilot will leverage Oshawa's data and technology assets combined with Sapient’s access to third party data sources, scalable analytics technology, data-sciences to enable the behavioral approach. The pilot tests the combination of customer experience, technology & data, energy literacy improvement techniques and tests LDCs readiness and customer benefits through the pricing treatments proposed in the RPP. This will be achieved through the following:  - Create and validate the experience ecosystem required to support a price related conversation with the end customer/customer behavioral groups. This envisions using a combination of channels (Web, text, mobile, BoTs, direct mail etc). It will use a mobile app specifically created to support the pilot and its enhanced feedback requirements and to test content messaging and its framing.  - Understand the customer’s usage behavior through ground up behavioral analytics on usage, preference and social data. The pilot will aggregate LDC customer usage data with other data sources and leverage data science to correlate behavioral trends. It will also leverage our proven behavioral analytics frameworks applied in the context of the RPP objectives.  - Understand the implications of new pricing structures on customer household economics and behavior. Leverage analytic models to extrapolate the relative household implication of the different pricing treatments based on current behavior.  - Understand and evaluate the feasibility and cost implications of the new pricing structure on the LDCs infrastructure (CIS systems, Settlement system, Call center operations, Multi-channel implications etc)  - Understand the key shifts in behavior that would yield the most customer benefit. Identify these shifts and how to enable these shifts through interventions. Test these interventions to provide recommendations to the OEB that can be leveraged across the province.  - Use surveys and behavioral insights to measure and validate the approach.  - Observe the limitations of the pricing treatments that make them difficult to understand for consumers. Recommend framing and content improvements.  - Leverage the experience ecosystem to improve communication and literacy.  - Provide recommendations on how to return price choice and energy control back to the customer. |
| **D.** Explain how your project compares to other initiatives/ technologies already deployed/ piloted in Ontario and elsewhere. Provide diagrams, etc. as necessary (within this document). |
| The behavioral approach leveraged for this response is unique and has not been used for other pilots in the province on other pilots. This has resulted in 10 to 20X improvement when applied on similar challenges in other industries. Further details on the approach is attached with this submission. |

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| **2. PROJECT PLAN** |
| **A.** In no more than ten sentences, outline the project plan. |
| The project plan is as shown in the enclosed figure. The key principles driving the pilot plan: - Plan that places the customer at its core (Understanding, recruiting, communicating and validating the customer & his/her needs and benefits) - Alignment to OEB RPP objectives - Foster collaboration between end customers, OEB, Oshawa PUC Networks and Sapient - Learn from OEB working groups lessons (Reduce execution by executing tracks in parallel, estimating and investing time and effort in customer recruitment etc)  The plan focuses on the set up for the pilot which is expected to be a 7 month effort. |
| **B.** Describe each of the major task areas for this project (e.g. program design, development of training, measurement and verification, research, communications, knowledge transfer, etc.). |
| The plan is broken into 10 tracks and some key tasks that cuts across these tracks of work as indicated in the figure above. **Contracting** - Ensure the required contracts between the parties involved to ensure a timely and successful pilot kick off. The contracts should achieve alignment between the risks and outcomes for the pilot stakeholders. **Pilot Management** - Plan the pilot execution and the interaction between the various tracks and tasks involved in the plan. It also provides the oversight and ensure timely decisions to enable effective pilot execution. **Scenarios Analysis** - Detail out the pricing treatment scenarios and analyze its implications on the various pilot tasks. **Customer** - Ensure that a representative group of customers are identified, recruited and retained through the duration of the pilot. **Marketing and communication** - Define and create a customer experience eco system. Define and test the key customer messages through that eco system. Define and test the internal messages to bring all the stakeholders within the LDC and external stakeholders together to support the pilot. **Survey** - Design and execute the Market response, pre-treatment, in progress and post treatment surveys as prescribed by OEB. This track will also consolidate and analyze the survey responses. **Technology** - Create and test the technology assets required to execute the pilot. Assess the ability to scale the LDC technology infrastructure to support the post pilot implementation/roll out. **Data & Behavioral Analytics** - Designed to identify and bring the appropriate data to perform behavioral data science. Apply Sapient analytics framework to support the behavioral analytics requirements of this pilot. **Call center** - Identify and document the changes to the call center operation to support the pilot. Ensure the call center staff is provided the appropriate training to ensure the customers recruited for the pilot have a seamless experience across channels. **Integrated concept testing** - Connects the work from all the tracks into an integrated concept for the pilot. This is validated and refined before it gets leveraged for the pilot. **Measurement & Evaluation** - Create and follow and approach for measurement and evaluation of the pilot activities that adheres to the guidelines outlined by OEB/IESO. **Knowledge Management** - Will include defining and developing the plan to share the knowledge of the pilot between LDC and OEB. OEB participation is expected in the creation and execution of this track. |
| **C.** Describe each of the major deliverables that will be provided to the OEB as part of this project. |
| **Recommendations report** - Detailed report on the findings and recommendations based on the pilot. **Evaluation results** (Survey based and behavioral analytics based) - Analysis of the surveys correlated with the behavioral data that support the recommendations from the pilot. **Behavioral analytics framework specifications** - Specification that customize the sapient behavioral analytics approach to meet the objectives of the pilot. **Experience ecosystem specifications** - Specifications that detail the technology, framing and messaging required to create the experience eco system for the Ontario energy customer/customer behavioral groups. |

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| **3. PROJECT TEAM & PARTNERS** | | |
| A. In this section, please outline the composition of the project team and list any project partners. Discuss the role that each person and organization participating in the project will play. Include the applicant organization in this table. If a 3rd party is not yet part of the team, please identify the accountability they will be responsible for and enter TBD for the name and organization. | | |
| **PROJECT TEAM** | | |
| **Project team member** | **Organization and job title** | **Major accountability** |
| Oshawa PUC Networks | Various | Marketing, Communication, Utility Data, Project lead |
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| **PROJECT PARTNERS** | | |
| **Organization** | **Project role (e.g. participant, funder)** | **Financial or in-kind contribution (indicate if confirmed). Please note that if you are invited to submit a proposal your partner must confirm their contribution in writing to the OEB.** |
| Sapient Global Markets | Participant – Project evaluation, measurement and verification |  |
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